GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration And Urban Development Department – Andhra Pradesh Capital Region Development Authority - Swiss Challenge Proposal submitted by Singapore Consortium comprising of Ascendas-Singbridge and Sembcorp for the development of startup area of Seed Capital Area of Amaravati - Approved-Orders-Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (CRDA2) DEPARTMENT

G.O.Ms.No:170 **Dated:04.07.2016**

Read the following:

1. Press release dated 04.05.2015 on Municipal Administration & Urban Development Department website.
2. G.O.RT.No.266 MA & UD (CRDA 2) Department, dated 06-05-2016
3. From the Commissioner, APCRDA Letter No. 14024(34)/46/2016 dated 14.06.2016

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ORDER:

Government of Andhra Pradesh (GoAP) is developing the new Capital City – Amaravati, post bifurcation of State of Andhra Pradesh.

2. In Pursuant to the Memorandum of Understanding(MoU) between Government of Andhra Pradesh (GoAP) and Government of Singapore (GoS) on December 08, 2014, the Government of Singapore through its agencies have submitted the Capital Region Concept Plan, City Master Plan (Zoning Plan and Detailed Master Plan) and Seed Capital Area Detailed Master Plan and have provided the extent and details of development for Capital Region, Capital City and Seed Area in the respective master planning reports. Government of Andhra Pradesh has formed the Capital City Development and Management Corporation Limited (CCDMCL) as a 100% owned Government Company for the development of Capital City.

3. Government have approved the implementation structure of development of Capital City and the method of selection of Job Creation and Investment (JC&I) Partner (subsequently renamed as Amaravati Development Partner (ADP) through Swiss Challenge method as per the APIDE Act, 2001.

4. In the reference 1st read above, the Government issued a press release approving Swiss Challenge method for selection of Master Developer for seed capital area in the new capital city construction and development. In response to the said press release, Singapore Consortium of Sembcorp Development Ltd and Ascendas Pte Ltd, have submitted a letter of Intent expressing interest for submission of proposal i.e. for the role of Master Developer for Seed Development within the Capital City of Andhra Pradesh and the same has been accepted by the GoAP.

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5 The Singapore consortium has submitted a proposal for development of Seed Capital Area of 16.9 sq. km under Swiss Challenge Method on 30th October 2015. Government after examination of the proposal requested the Singapore Consortium to submit the revised proposal. Accordingly the Singapore Consortium has submitted the revised proposal on March 21st 2016.

6. In the G.O. 2nd read above, GoAP have constituted a High Powered Committee (HPC) to study the Swiss Challenge proposal in the overall interest of the State and development of Amaravati in the backdrop of Greenfield development. The HPC submitted their report to the Government on 10.06.2016. The report of the HPC has been sent to the Commissioner, APCRDA with a request to place the entire issue along with HPC report to the APCRDA Authority (Local Authority) to evaluate the proposal as per relevant provisions of the APIDE Act 2001 keeping in view the Judgement No. 2009(7) SCC 462/2009 (O)/AIR (SC) 2519 of Honorable Supreme Court dated 11.05.2009. Similarly the remarks of CMD, CCDMC were also called for on the revised proposal received from the consortium and also the HPC. The Commissioner, APCRDA was requested to forward the proposal to APIA after evaluation and then submit recommendations to the Government.

7 In the ref 3rd read above, the Commissioner, Andhra Pradesh Capital Region Development Authority (APCRDA) has stated that after detailed deliberations and consultations by the Consultants, the APCRDA Authority considered the report of the High Powered Committee and after due deliberations decided to recommend the Swiss Challenge Proposal along with HPC report containing the evaluation of the proposal referred by Government, to Andhra Pradesh Infrastructure Authority (APIA) as per APIDEA Act 2001. The APCRDA Authority opined that, under the APIDE Act 2001, the Original Project Proponent (OPP) is capable of undertaking a project of this Scale and Scope. The Chairman & Managing Director, CCDMC has reported that the HPC report was deliberated in the 6th CCDMC Board meeting on 13.06.2016 and also recommended to Government/ Infrastructure Authority.

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8. Andhra Pradesh Infrastructure Authority (APIA) in its meeting held on June 22, 2016 have resolved that the scale of the Project in terms of development as reported by APCRDA and the evaluation of the same is noted to be in line with the requirements of the State and the Proposal of OPP will enable world class development in Capital Region, attract investments and jobs with world class infrastructure as per the scope of the Project as detailed by APCRDA and given in the proposal. It was also observed that development of such Start Up Area will not only kickstart the economic activity in the Amaravati Capital Region, but also enhances the value of land in the region benefitting the local people. The Proposal is expected to assist the State in achieving the long term objectives of the State. APIA resolved to permit APCRDA to proceed to invite the competing counter challenge proposal under Swiss Challenge under Section 19 II (vii) through international competitive bidding process in fair and transparent manner for the development of startup area of 1691 acres (in phases) in Seed Capital Area of Capital City after taking appropriate approval of Government of Andhra Pradesh including incentives / concessions / support sought by the Original Project Proponent(OPP), without conferring or investing any right in any entity. Further Andhra Pradesh Infrastructure Authority(APIA) directed Commissioner, APCRDA to comply with APIDE Act 2001 with its amendment thereof throughout the selection process and ensure compliance with Judgement No. 2009(7)SCC462/2009(O)/AIR(SC) 2519 of Honourable Supreme Court dated May 11, 2009 and follow fair and transparency in the bidding process as advised by the Kelkar Committee of Government of India.

9. After careful examination of revised Swiss Challenge Proposal and subsequent addendums, report of High Powered Committee (HPC), concessions /support /incentives sought by the Singapore Consortium (Original Project Proponent-OPP) and remarks thereon by various departments and recommendations of Andhra Pradesh Infrastructure Authority and keeping larger interest and long term objectives of state, Government here by approve the following:

i.
   a. Revised Swiss Challenge Proposal as submitted by OPP and as negotiated by HPC including Business Plan, Concession Agreement and Development Agreement (CADA), Shareholders Agreement (SHA) and the resulting addendums;
   b. resolution of APCRDA on the revised proposal;
   c. all deviations from 22.4.2015 Cabinet Resolution on Swiss challenge and implementation structure

ii. Model of Development for startup area of 6.84 sq km within Seed Capital Area under joint development with APCRDA and Joint Venture with CCDMC

iii. High Powered Committee report with its annexures and its views including risk sharing;
   a. Various concessions /support /incentives sought by the OPP as finally negotiated by HPC

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b. Waiver of stamp duty;
c. Provision of necessary budget to CRDA for realignment of bund, supplying of sand free of cost as sought for and shifting of power HT and LT lines;
d. any additional budget required due to any variation in cost of sand in future; and
e. Allotment of sand quarry(s) to CRDA near the site.

iv. CCDMC to enter into Joint Venture Agreement with successful bidder with 42% equity in the proposed Amaravati Development Partner as per SHA and infusion of required equity in ADP.
v. Extension of MoU with Government of Singapore signed on 08.12.2014
vi. The Commissioner, APCRDA to form a Tender Evaluation Committee for evaluating the tender documents, selection of bidder, and entering into concession agreement and state support agreement; Agreements to be vetted by law department before entering into with the successful bidder
vii. Budgetary Provision of Rs 5500 cr (estimated cost) to CCDMC to provide external infrastructure within the time limits and also its consequential financial implication in case of delay in implementation of infrastructure as per CADA and SHA with its addendums
viii. Recommendation of Andhra Pradesh Infrastructure Authority (APIA) on APCRDA Proposal
ix. Eligibility criteria for the bidders for inviting the Counter Proposal as proposed by HPC and percentage of gross revenue share as the sole bidding parameter.
x. Cost of proposal preparation of Rs 7.5 cr to be reimbursed to OPP in case project is not awarded to OPP
xi. CADA to be executed by Commissioner, APCRDA with the successful bidder
xii. Sale of developed plots on a freehold basis located in the Start-Up Area as per CADA.
xiii. Authorize Commissioner, APCRDA to obtain legal opinion on compliance with APIDE Act 2001 and Hon'ble Supreme court judgment during the bid process and invite counter proposal under Swiss Challenge.

10. The Commissioner, APCRDA shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT(CRDA)

To
The Commissioner,
Andhra Pradesh State Capital Regional Development Authority

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The Institutions Concerned through the Commissioner, Andhra Pradesh State Capital Regional Development Authority, Vijayawada.

Copy to:

Ps to Chief Secretary/Prl.Secy to Hon'ble Chief Minister
The Chief Executive Officer, Andhra Pradesh Economic Development Board, Hyderabad.
P.S to Spl.Chief Secretaries/Prl.Secys/Secretaries of all Departments in AP Secretariat.
The Chairperson and Managing Director, CCDMC, Vijayawada.
General Administration (Cabinet) Department
OSD to Hon'ble M(MA)
The PS to Hon'ble Chief Minister
The PS to Hon'ble M(MA)
The PS to Hon'ble Minister for Finance
The PS to Chief Secretary
All the Departments in AP Secretariat, Hyderabad.
SF/SC.

//FORWARDED::BY ORDER//

SECTION OFFICER